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GENERAL COUNSEL

54 JAN 22 2002

STATE OF SOUTH CAROLINA
DEPARTMENT OF INSURANCE

Before the State of South Carolina
Department of Insurance

In the matter of:)
)
Northern Insurance Co. of New York,))
)
1400 American Lane 14th Floor)
Schaumburg, IL 60196-0000)
_____)

SCDI File Number 110815

**Consent Order
Imposing Administrative Penalty**

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Northern Insurance Company, of New York an insurer licensed to transact insurance business within the State of South Carolina.

I hereby find as fact, that Northern Insurance Company of New York (Northern) failed to pay within 15 days a final judgment rendered against it by the South Carolina Workers Compensation Commission in the proceeding entitled Patricia Bond vs. CMAC Inc., SCWCC file number 9814269, in the amount of \$120. Northern also acknowledges, and I find as fact, that it failed to pay that same judgment within fifteen days of being notified by the Department of its need to do so. This is a direct violation by Northern of § 38-55-120 of the South Carolina Code, which can ultimately lead to the revocation of an insurer's certificate of authority, pursuant to that Code section as well as §§ 38-2-10 and 38-5-130, to transact the business of insurance within the State of South Carolina, following a public hearing before the Administrative Law Judge Division.

Prior to the initiation of formal administrative disciplinary proceedings by the Department against it, Northern and the Department agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that, in lieu of the Department's filing of a petition to revoke Northern's certificate of authority to transact business as an insurer within the State of South Carolina, the insurer would waive its right to a public hearing and immediately submit to the Department an administrative penalty in the total amount of \$800.

After a thorough review of the matter, and after carefully considering the recommendation of the parties, and pursuant to my findings of fact and conclusions of law, although I can now revoke Northern's certificate of authority, I hereby impose an administrative penalty in the amount of \$800 against the insurer pursuant to the authority provided to me by the State of South Carolina General Assembly in S.C. Code Ann. §§ 38-5-130 and 38-2-10 (Supp. 2000). The administrative penalty must be paid within ten days of my date and my signature upon this consent order. If this amount is not paid on, or before, that date, then Northern's certificate of authority to transact business as an insurer within the State of South Carolina will be summarily revoked without any further administrative disciplinary proceedings.

This administrative penalty has been reached by the parties as a result of Northern's full payment of the Workers Compensation Commission judgment and of the insurer's assurance that in the future it will timely pay final judgments rendered against it in South Carolina. This penalty includes all expenses related to investigation of this matter as provided in Section 38-13-70 of the South Carolina Code. The parties expressly agree and understand Northern's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter.

By the signature of one of its officers or authorized representatives upon this consent order, Northern acknowledges that it understands that this order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2000).

Nothing contained within this administrative disciplinary order should be construed to limit, or to deprive any person of, any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110 (Supp. 2000), of the Director of Insurance, exercised either directly or through the Department, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the laws relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that Northern Insurance Company of New York Insurance Company shall, within ten days of my date and my signature upon this consent order, pay through the Department an administrative penalty in the total amount of \$800.

It is further ordered that a copy of this consent order shall be immediately transmitted to the National Association of Insurance Commissioners for distribution to its member states.

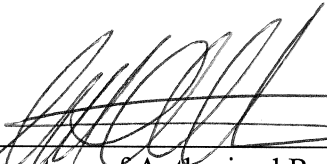
This consent order becomes effective on the date of my signature below.



Ernst N. Csiszar
Director

Jan 23, 2002, at
Columbia, South Carolina

I CONSENT:



Signature of Authorized Representative

SCOTT ORNSKIN

Name

claim Manager

Title

Northern Insurance Company of New York
1400 American Lane, 14th Floor
Schaumburg, IL 60196-0000

Dated this 17th day of January, 2002